THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Yes, Sir.

(b) The reasons attributed for this fall in profit are:

(i) Under recoveries on sale of Kerosene and Liquified Petroleum Gas (LPG); and

(ii) Reduced market margins on the sale of petrol and diesel due to non-revision of domestic prices in line with the international prices of these products.

Domestic production of LPG

1273. SHRI THANGA TAMIL SELVAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have decided to meet LPG demand from the domestic production;

(b) if so, the details thereof;

(c) whether Government have ascertained the reasons which are creating hindrance in production;

(d) if so, the details thereof; and

(e) the time limit fixed for the production to meet the demand in the country?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (e) Domestic production of LPG is less than domestic consumption. As a result, a part of domestic consumption is met through imports. During 2003-04, domestic production of LPG was 7651.0 Thousand Metric Tonnes (TMT) against the demand of 9305.0 TMT. The setting up of refineries is decontrolled and any capacities, which may, *inter alia,* produce additional LPG, would come up on commercial considerations.

Oil exploration and petroleum refining

1274. SHRI SANJAY RAUT: Will the Minister of PETROLEUM AND NATURAL GAS be plased to state: